

U.S. & Colorado
Economic Conditions & Outlook

Mark C. Snead

Vice President & Denver Branch Executive

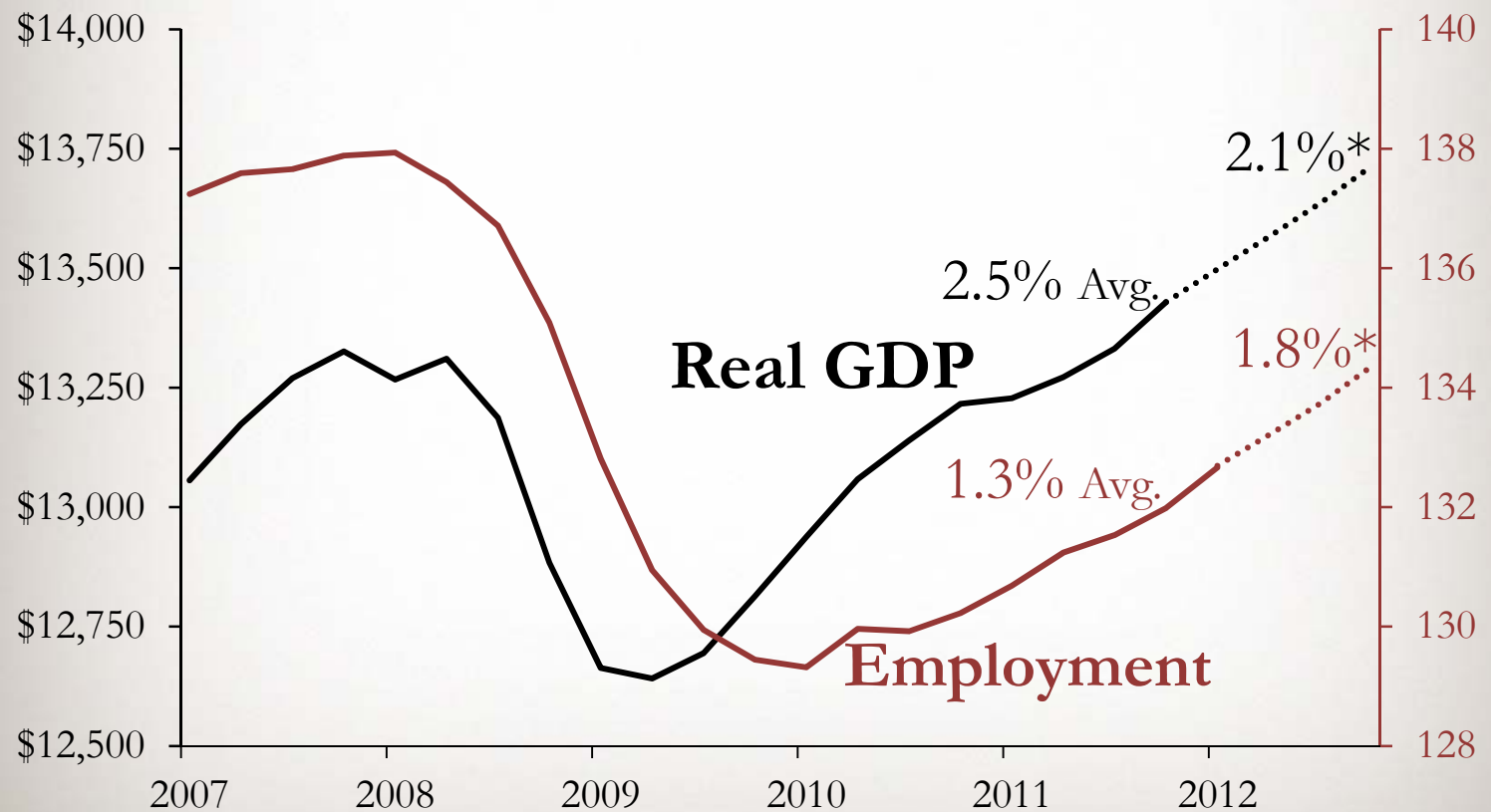
²⁰¹²
Regulatory Update
— SEMINAR —

Federal Reserve Bank of Kansas City

Steady Recovery *but* Impediments Remain

REAL GDP
Billions

NONFARM EMPLOYMENT
Millions



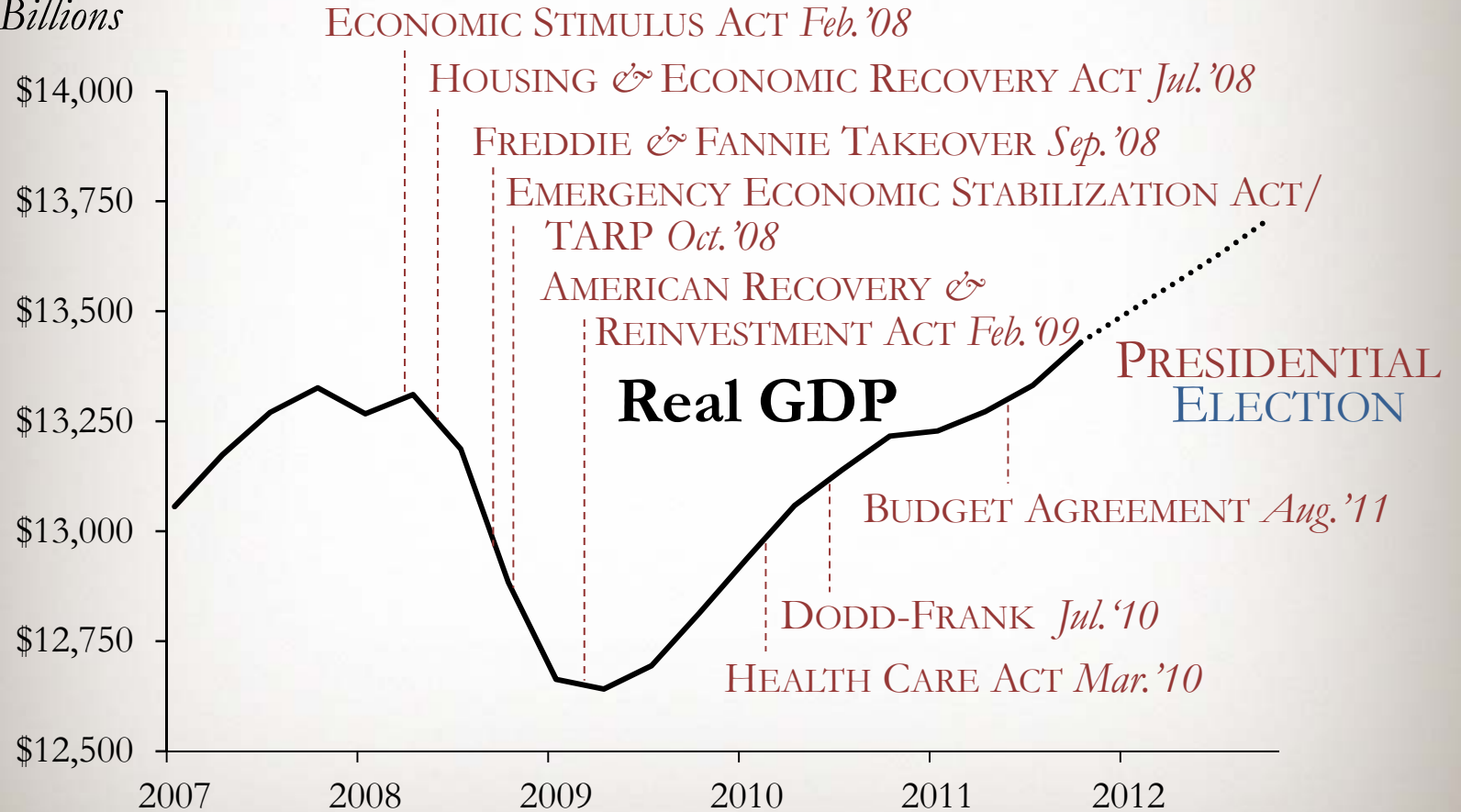
**Outlook for 2012*

Source: Bureau of Economic Analysis, Bureau of Labor Statistics & Global Insight

Regulatory & Fiscal Policy Uncertainty

REAL GDP

Billions

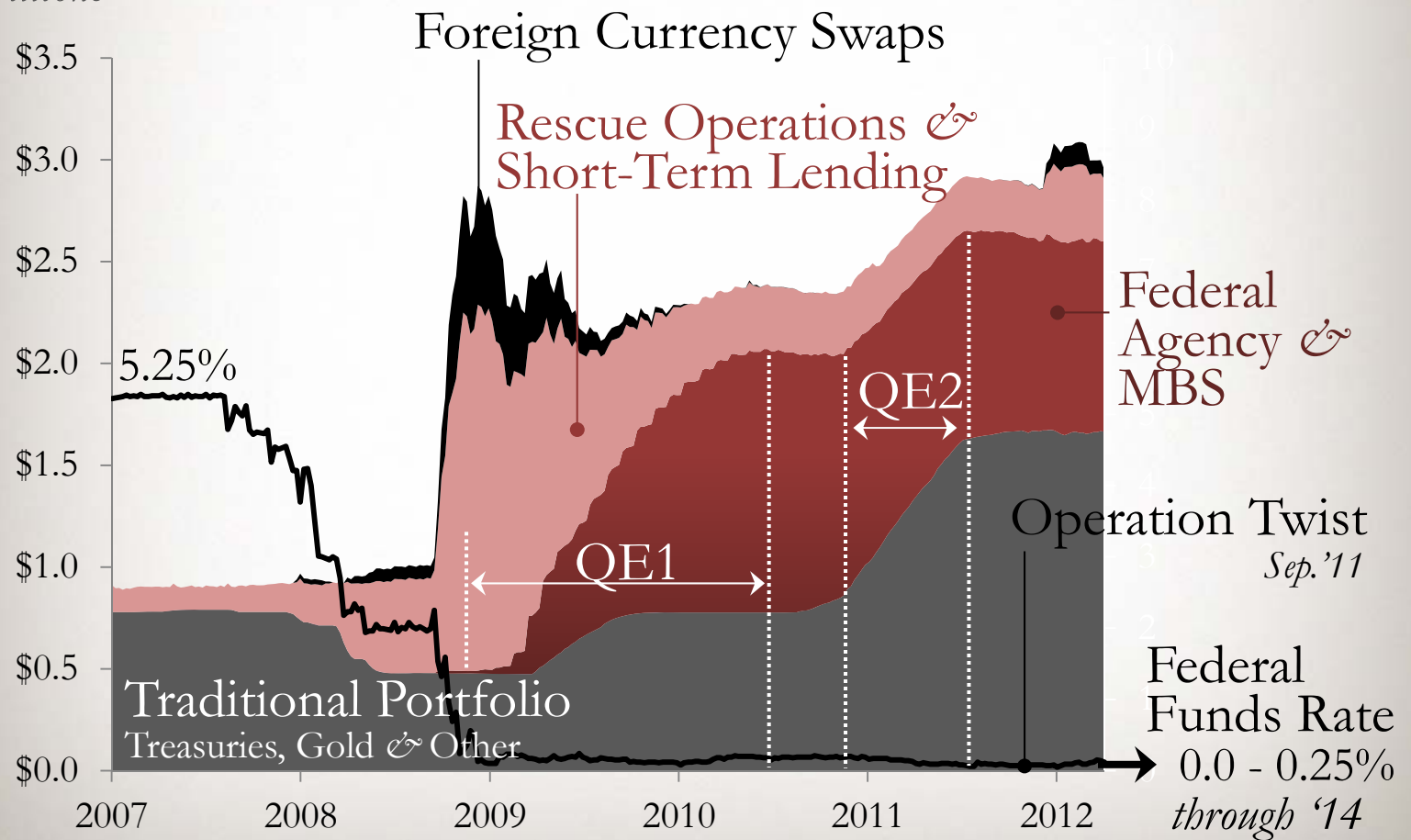


Source: Bureau of Economic Analysis, Bureau of Labor Statistics & Global Insight

Aggressive Federal Reserve Policy Actions

FEDERAL RESERVE ASSETS

Trillions

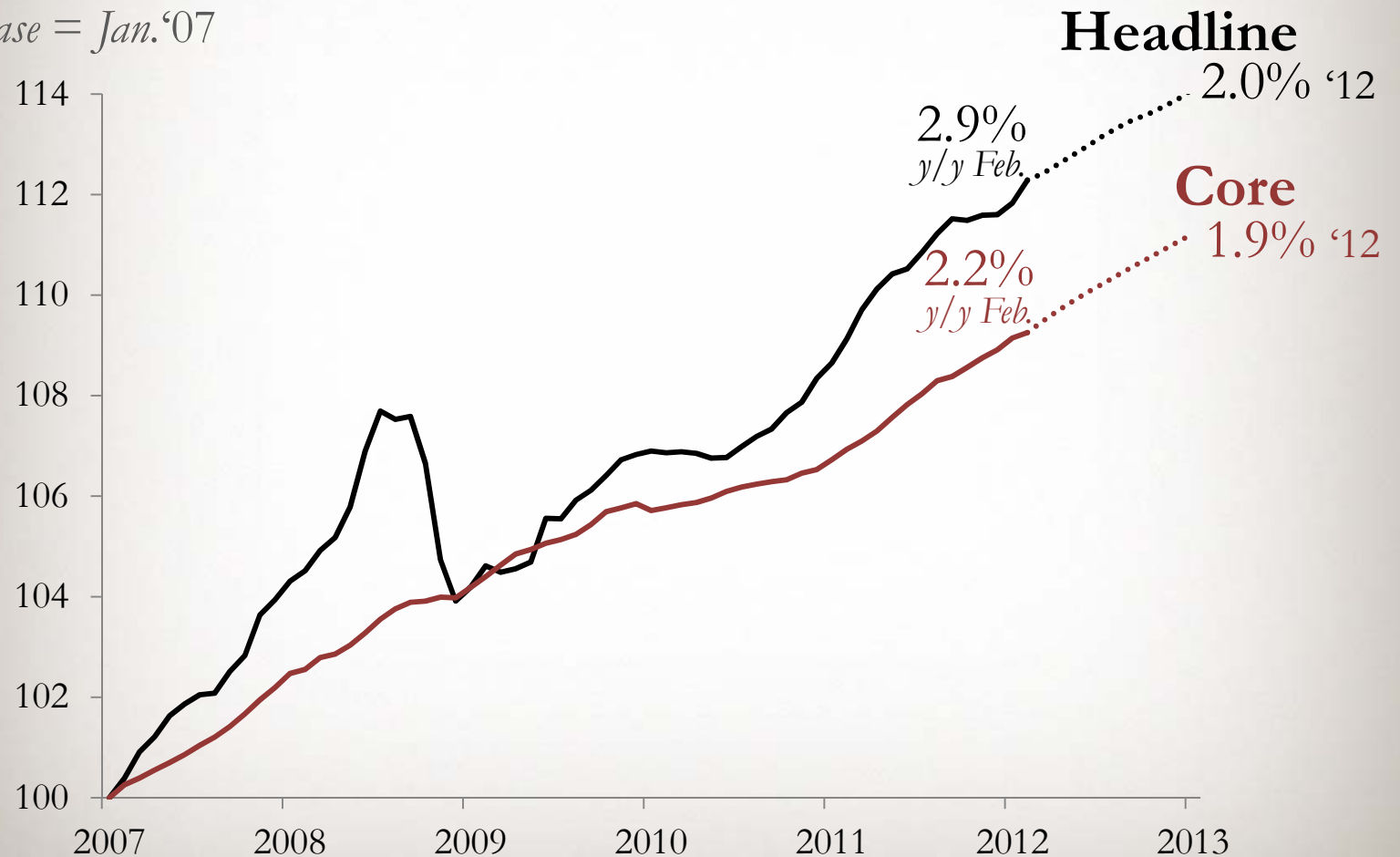


Source: Federal Reserve Board

Inflation Tame Despite Rising Energy Costs

CPI & INFLATION

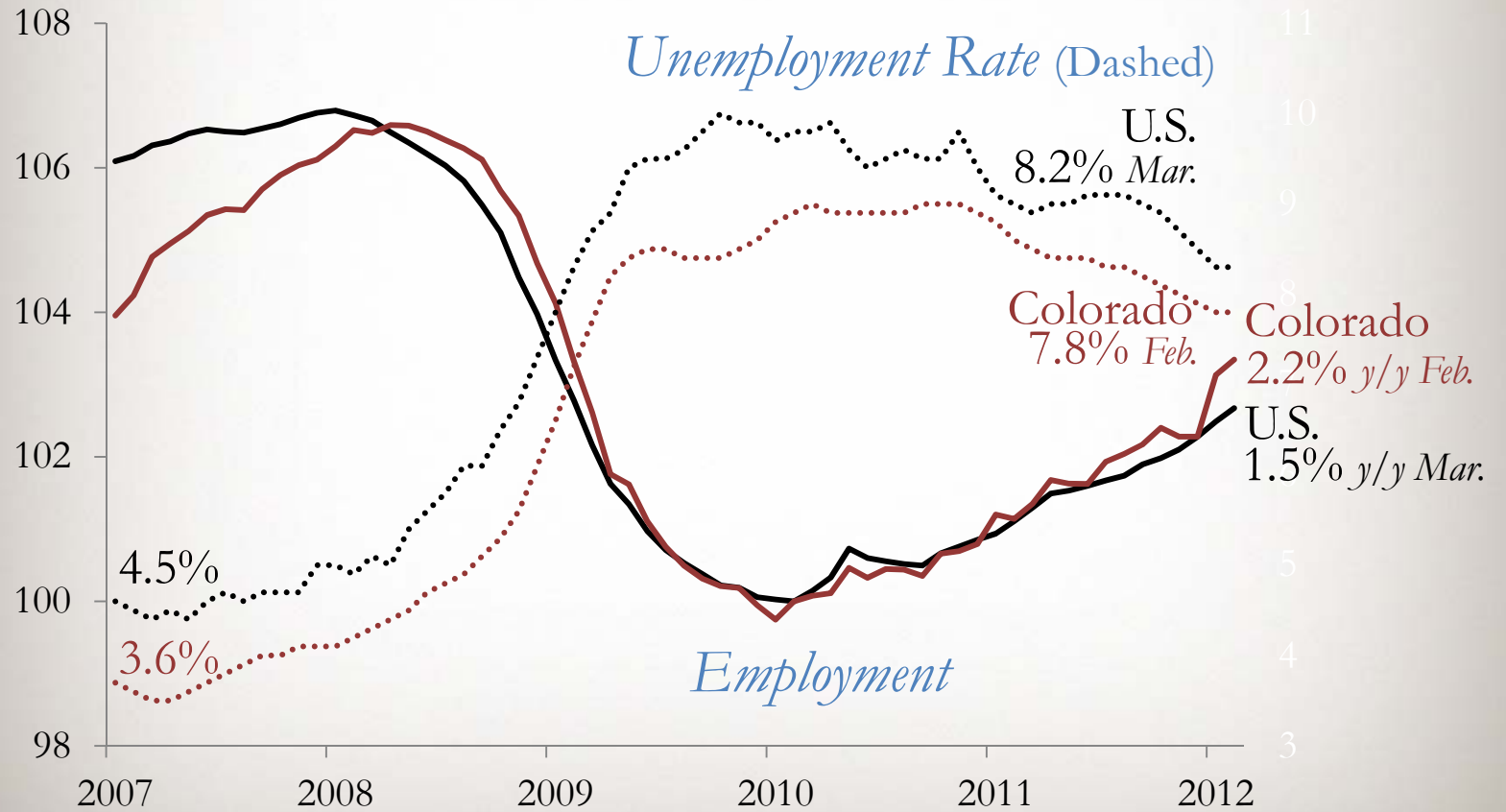
Base = Jan. '07



Source: Bureau of Labor Statistics & Global Insight

Steady Labor Market Gains

NONFARM EMPLOYMENT Index (100 = Feb. '11)

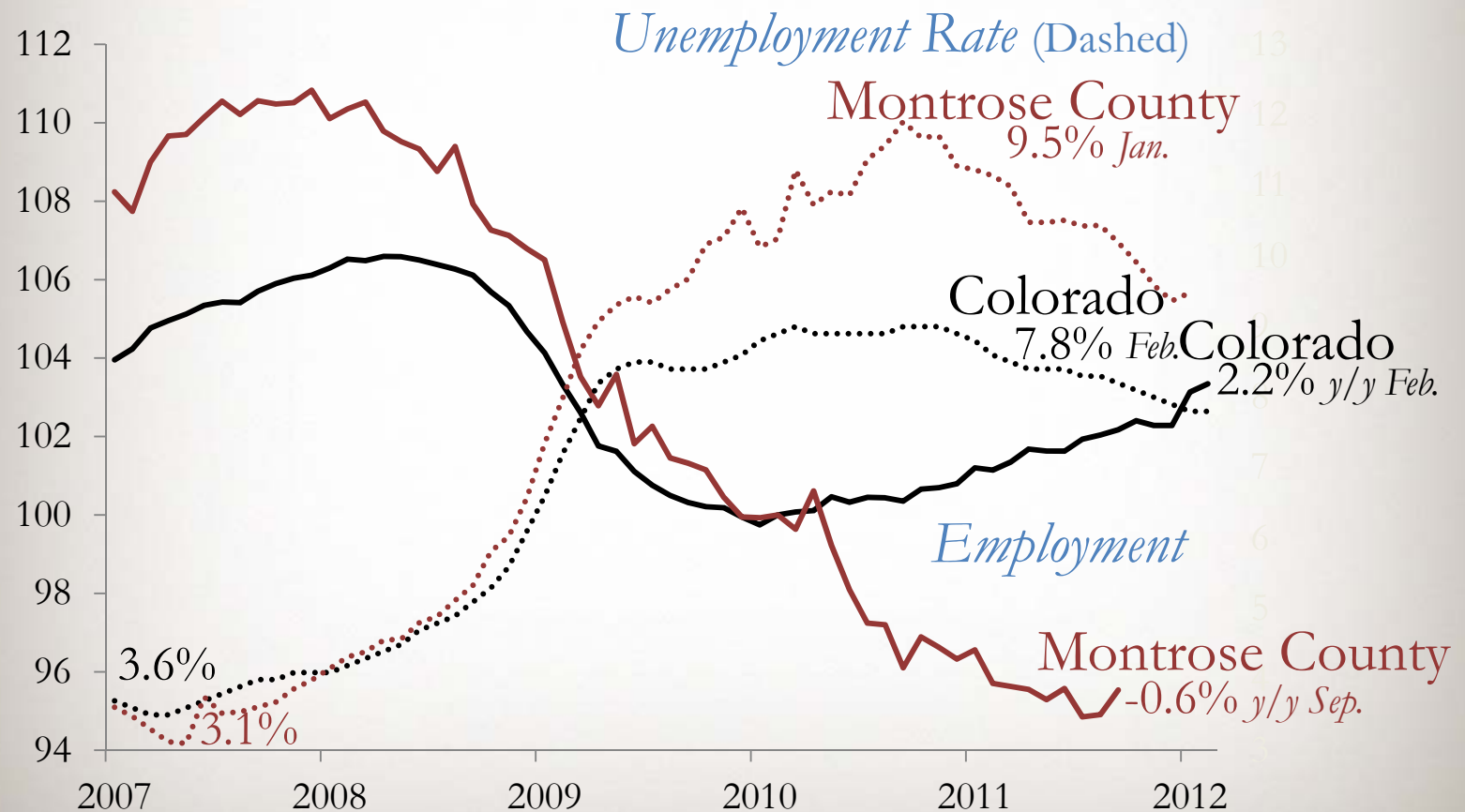


Source: Bureau of Labor Statistics

Montrose Job Market Slow *to* Recover

NONFARM EMPLOYMENT

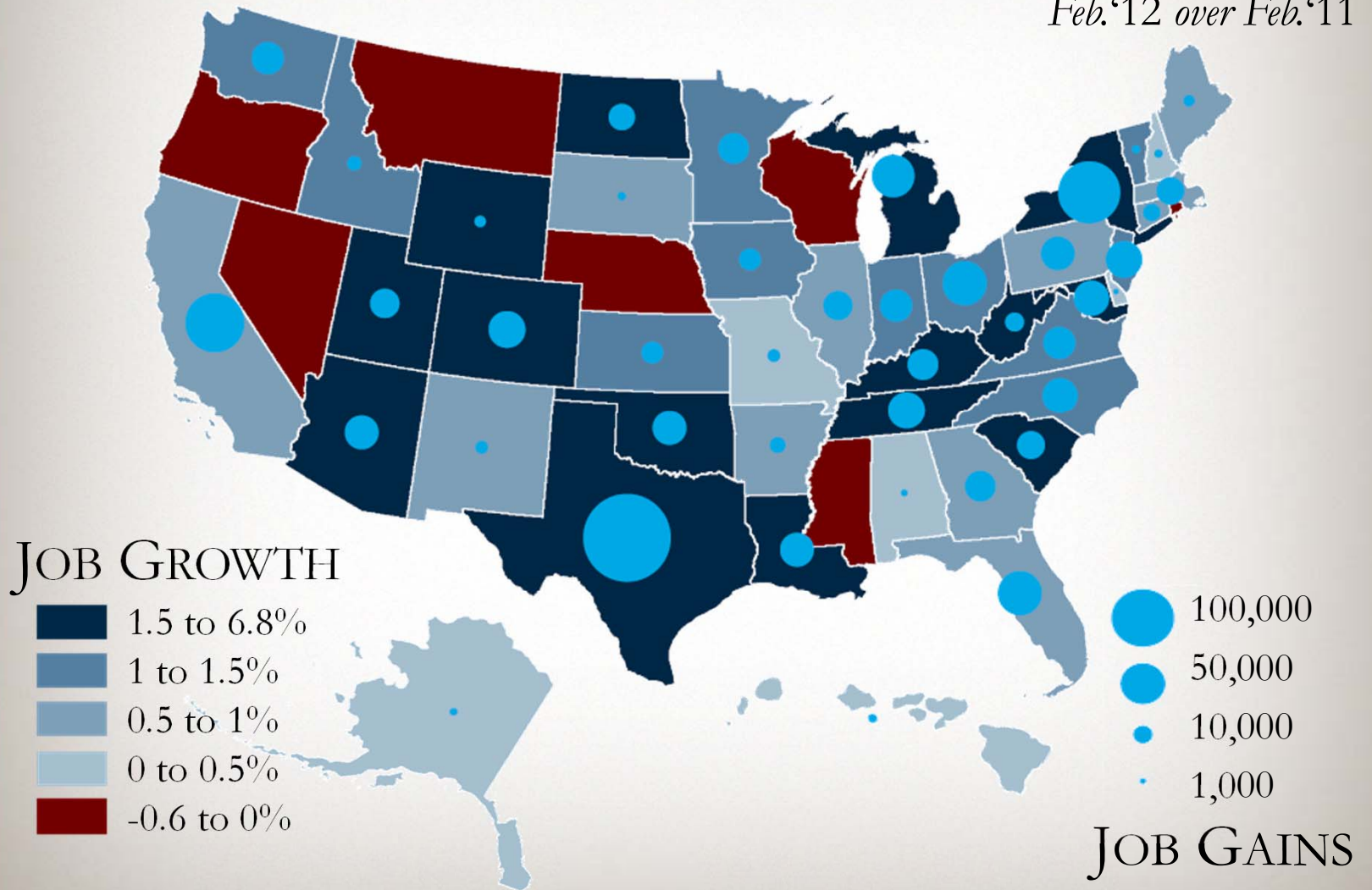
Index (100 = Feb. '11)



Source: Bureau of Labor Statistics

Job Gains Concentrated *in the* Large States

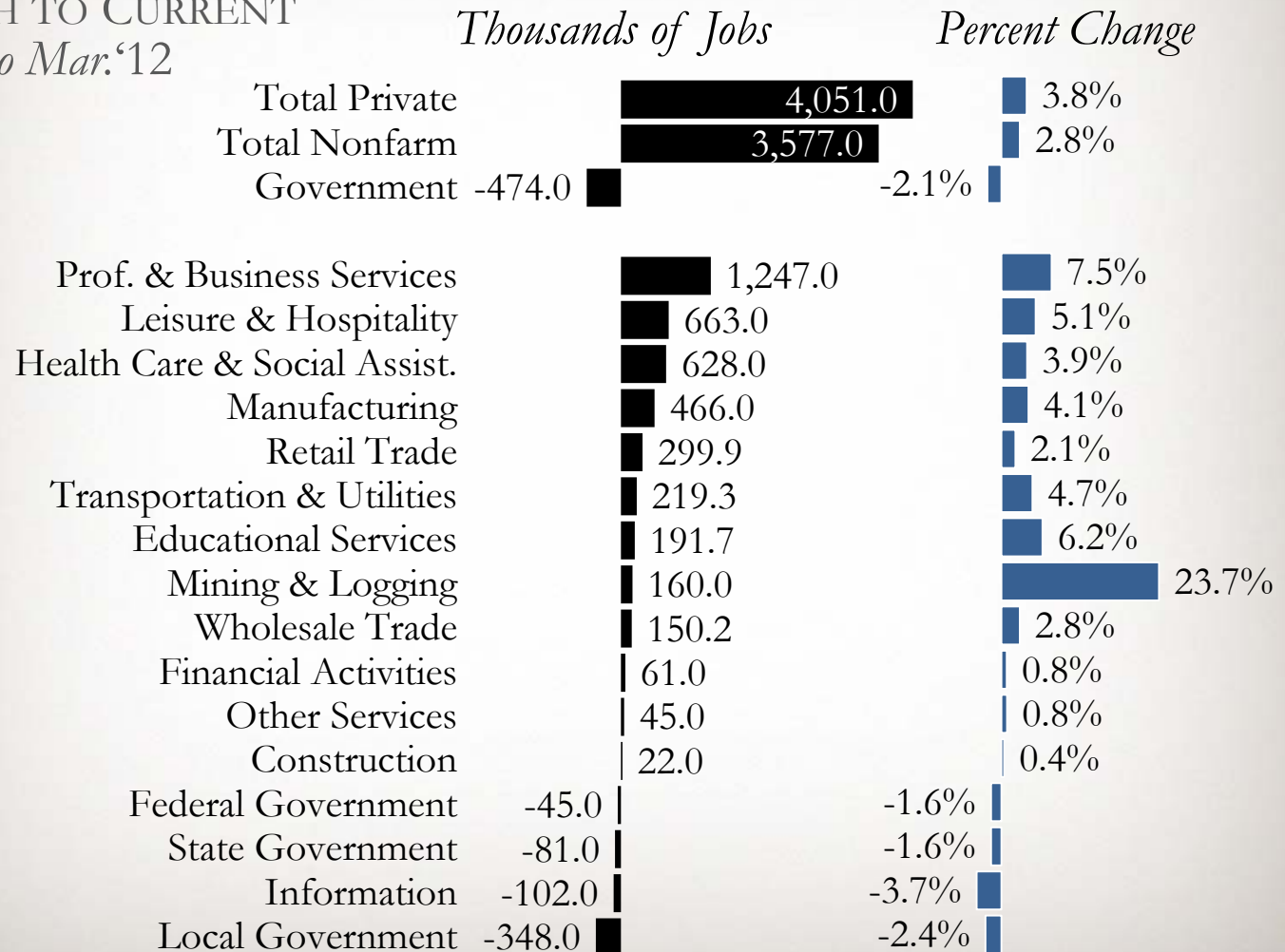
Feb. '12 over Feb. '11



Source: Bureau of Labor Statistics

U.S. Job Gains & Losses

TROUGH TO CURRENT
Feb.'10 to Mar.'12



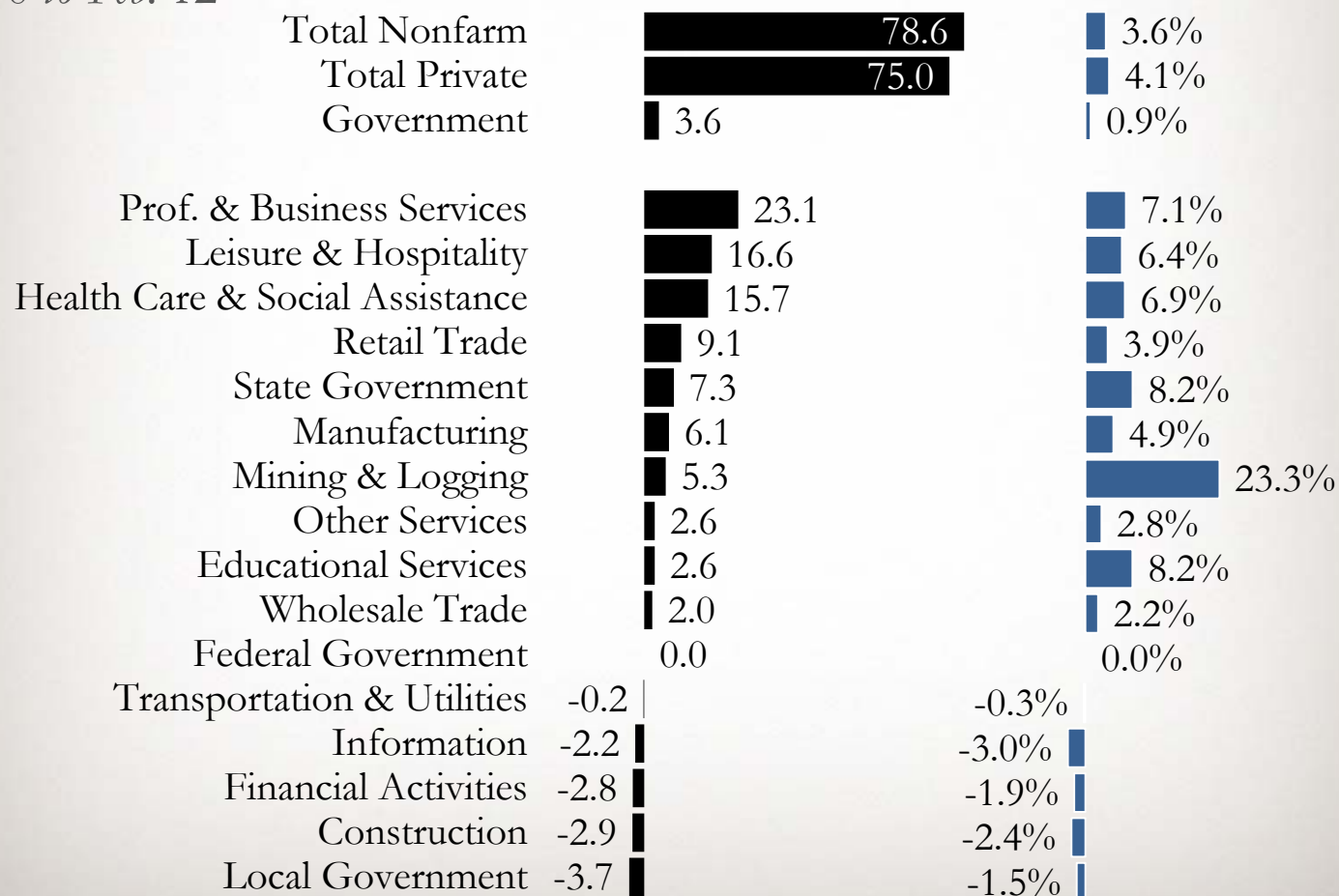
Source: Bureau of Labor Statistics

Colorado Job Gains & Losses

TROUGH TO CURRENT
Jan. '10 to Feb. '12

Thousands of Jobs

Percent Change

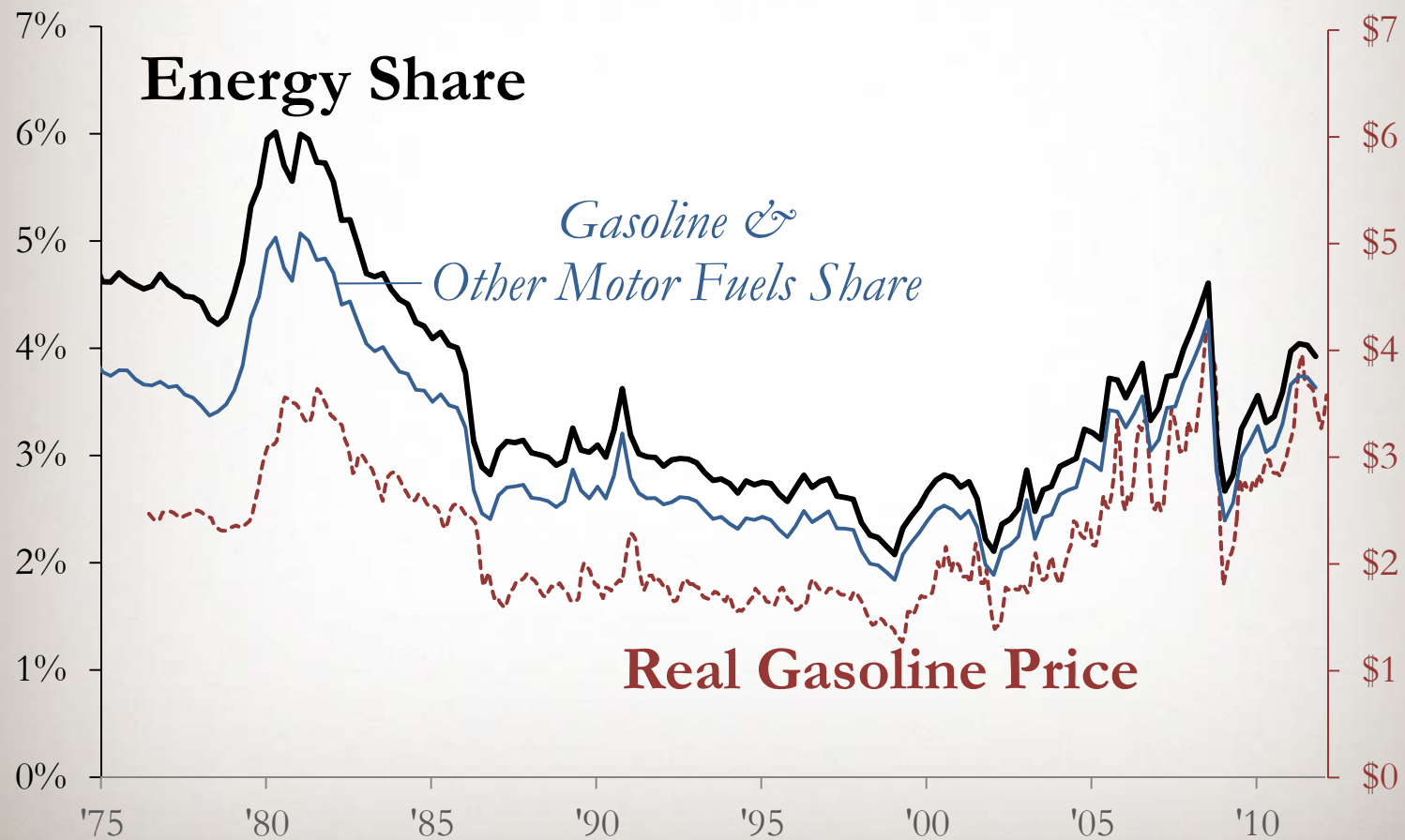


Source: Bureau of Labor Statistics

Energy Expenditure Shares Elevated

SHARE OF
TOTAL SPENDING

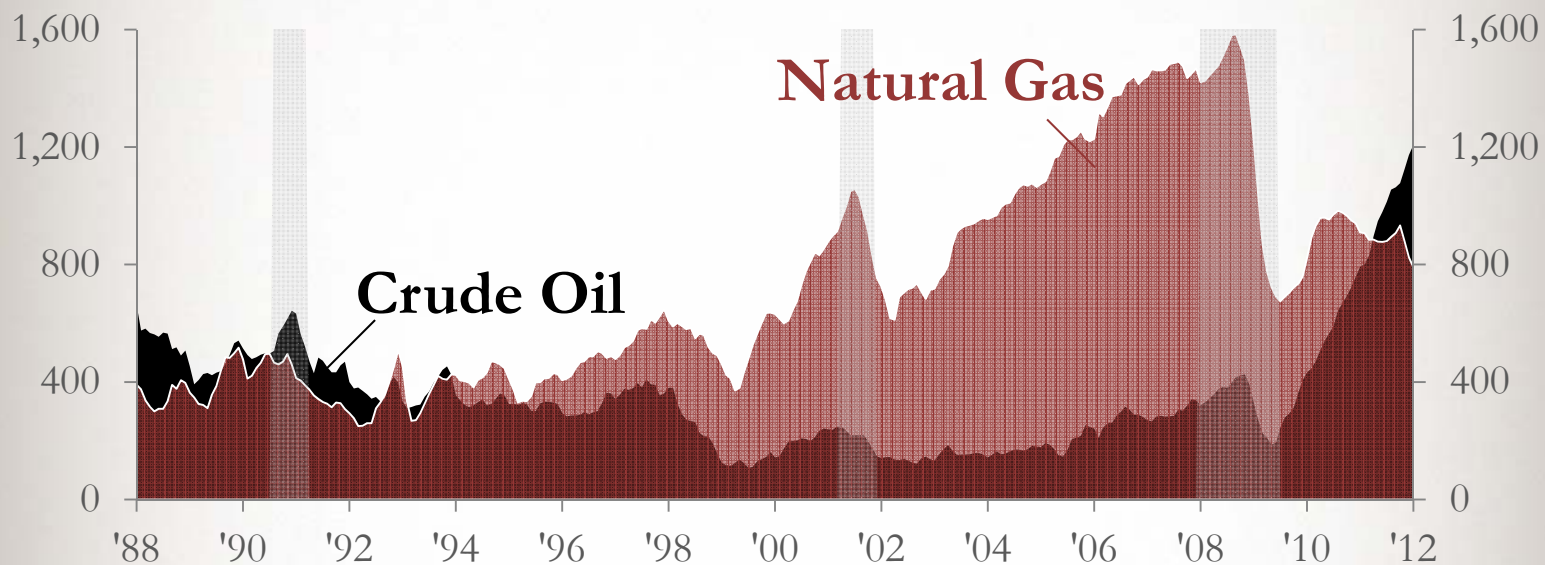
REAL PRICE
per Gallon



Source: Bureau of Economic Analysis & Department of Energy, Energy Information Administration

Shift *from* Natural Gas *to* Crude Continues

UNITED STATES RIG COUNT

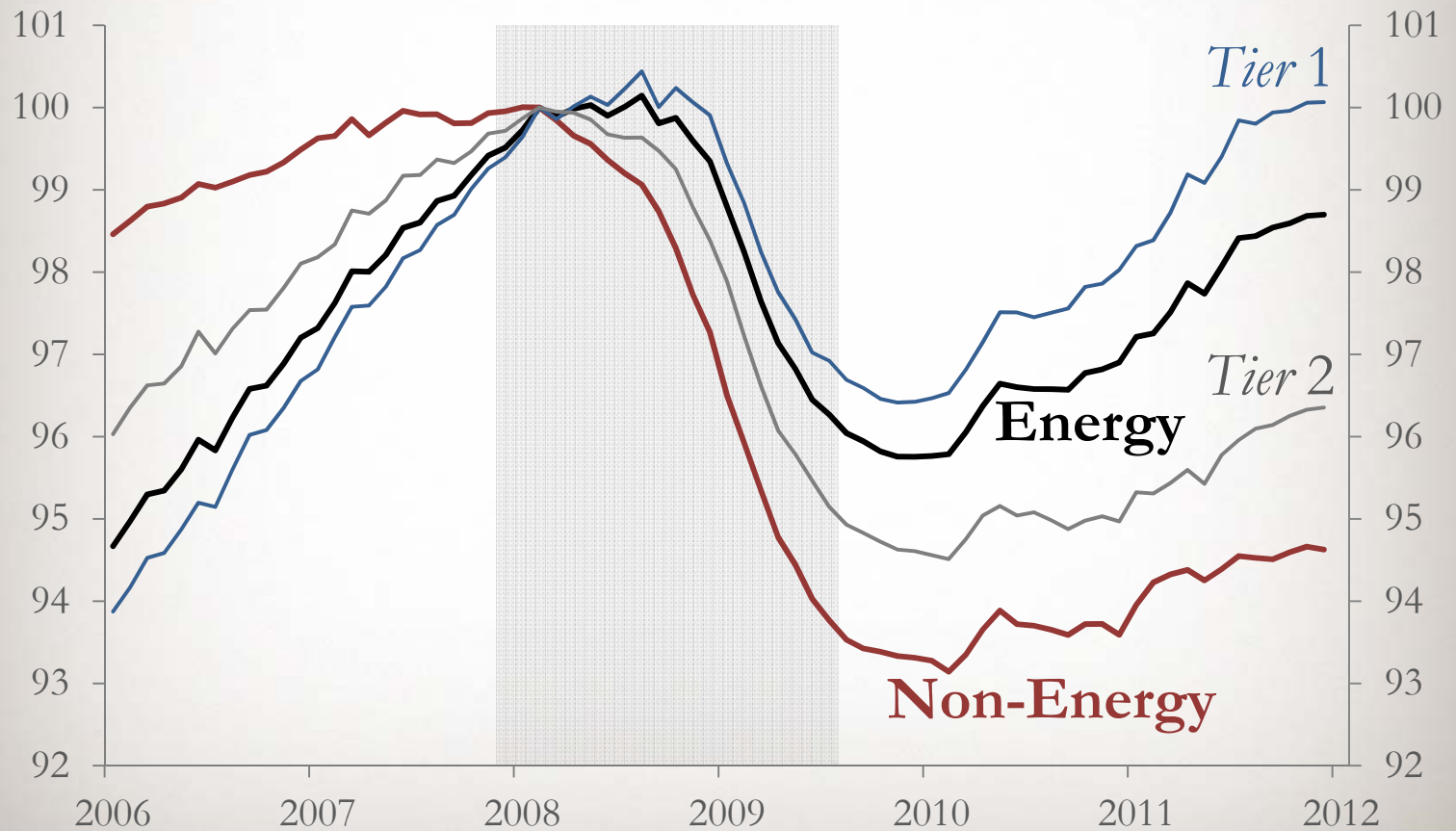


Source: U.S. Department of Energy, Energy Information Agency & Baker Hughes

The Energy States Are Still Energy States

JOB GROWTH

Index (100.0 = Feb.'08)



Source: Bureau of Labor Statistics

European Debt Crisis Unresolved

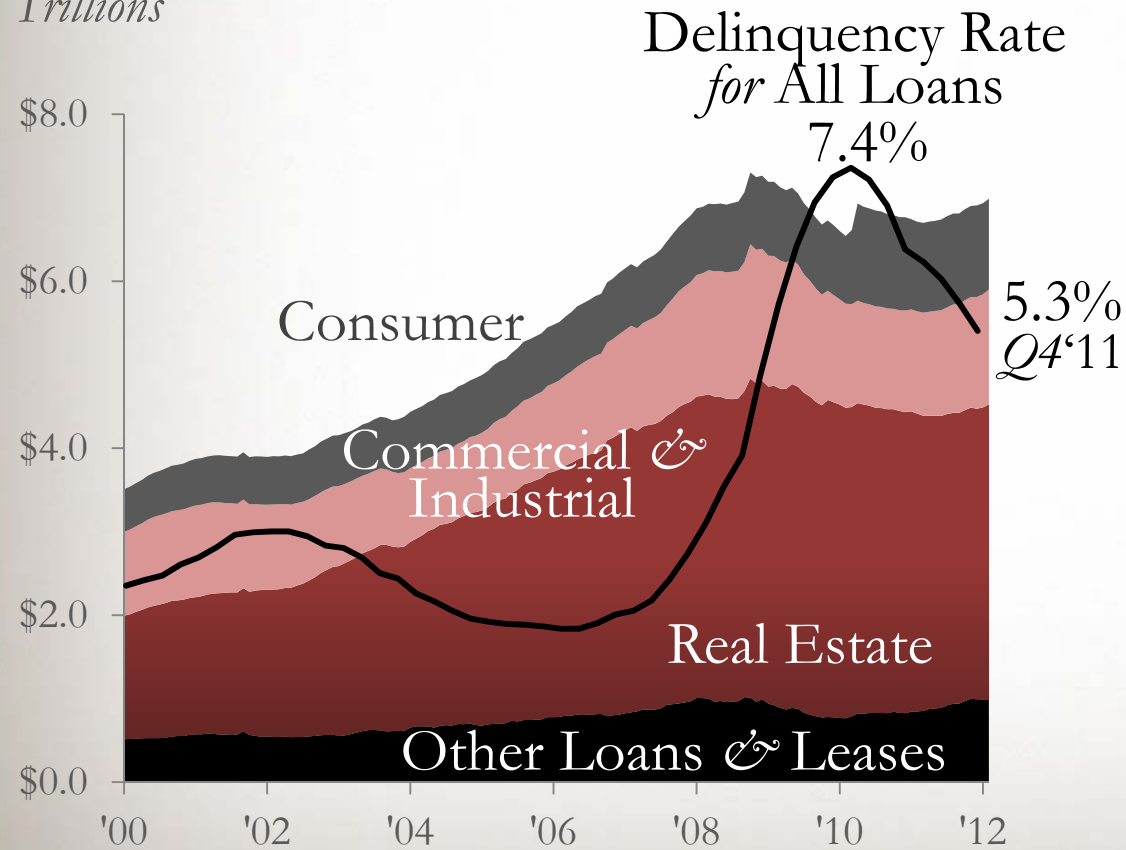


Source: Organization for Economic Co-operation & Development

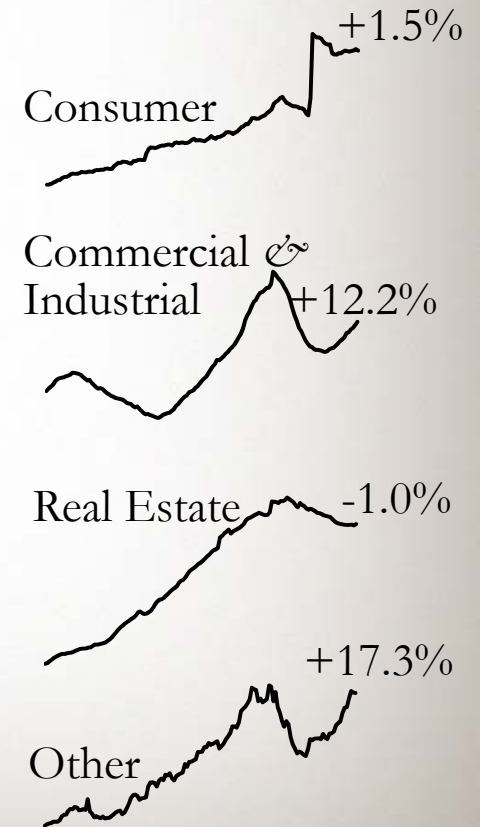
Banking Sector Health Improves

TOTAL LOANS & LEASES ALL COMMERCIAL BANKS

Trillions



LENDING TRENDS 2000 - Feb. 2012

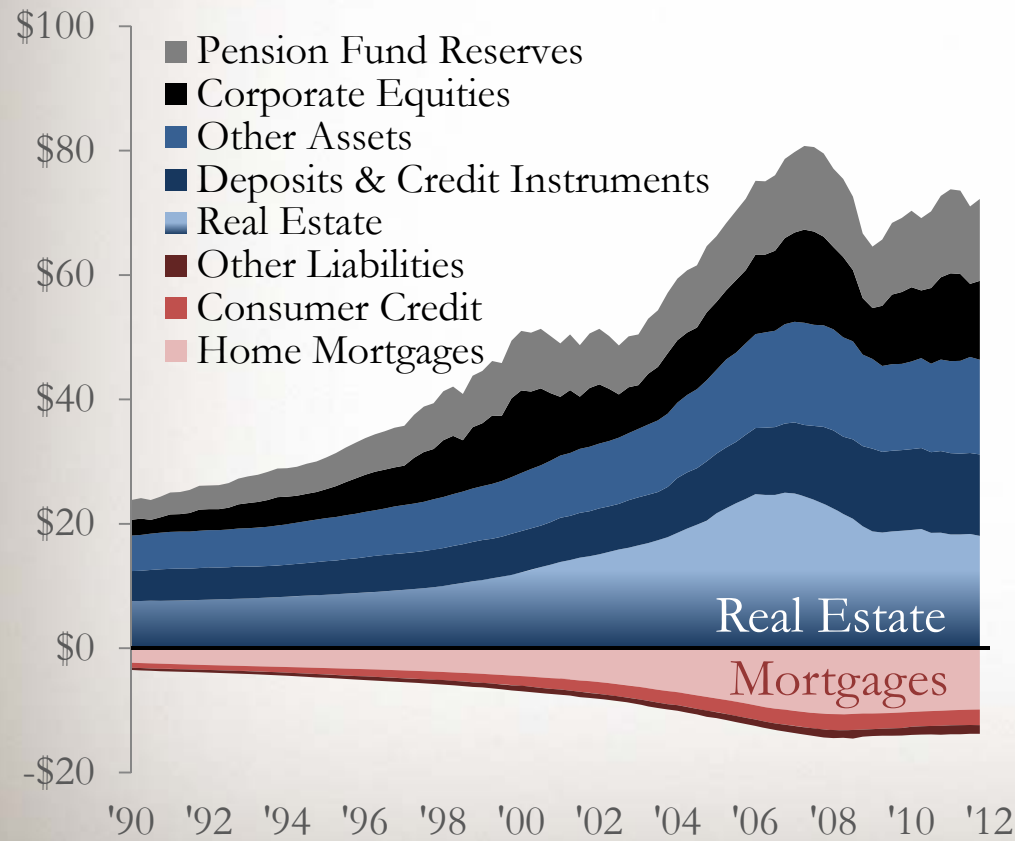


Source: Federal Reserve Board

Household Balance Sheet Gyration

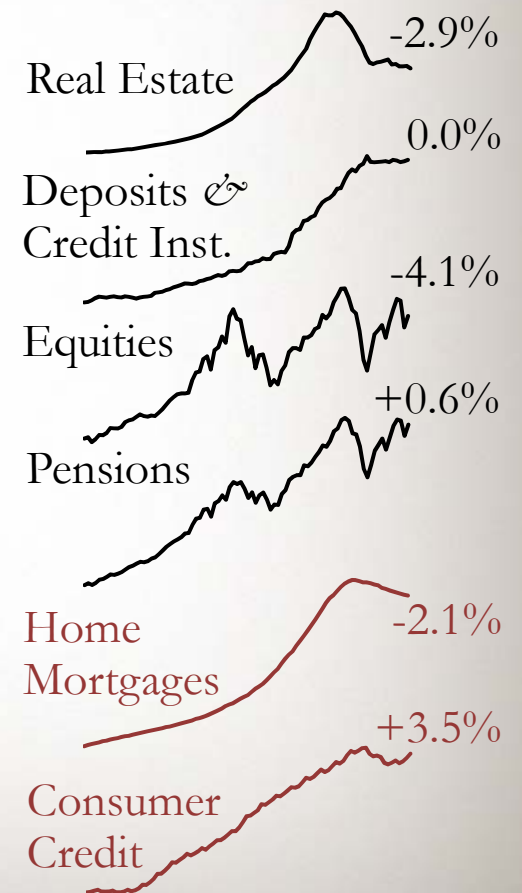
HOUSEHOLD & NONPROFIT BALANCE SHEETS

Trillions



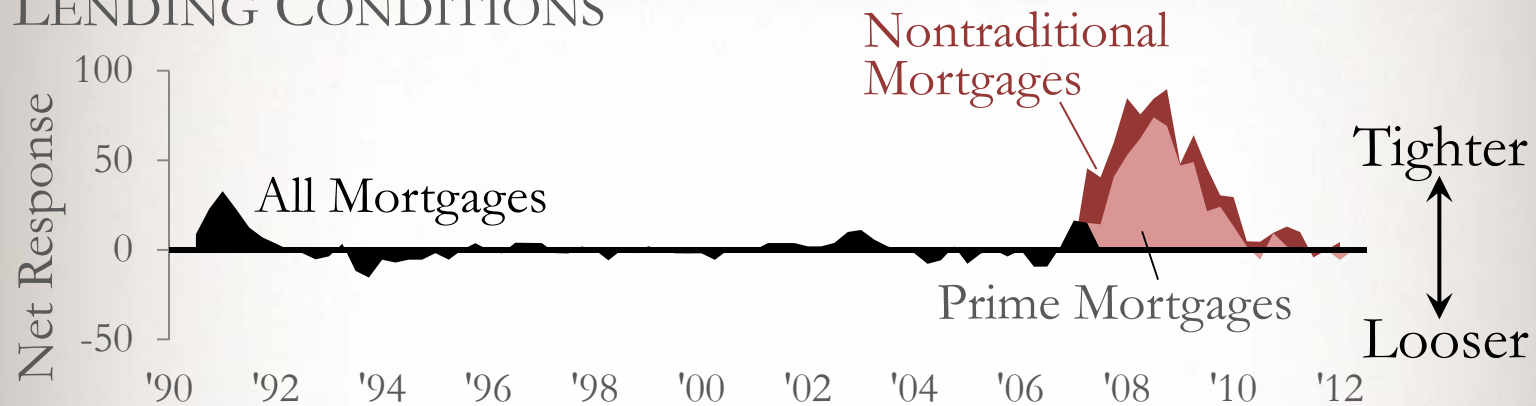
Source: Federal Reserve Board

SELECTED TRENDS 1990 – 2011Q4

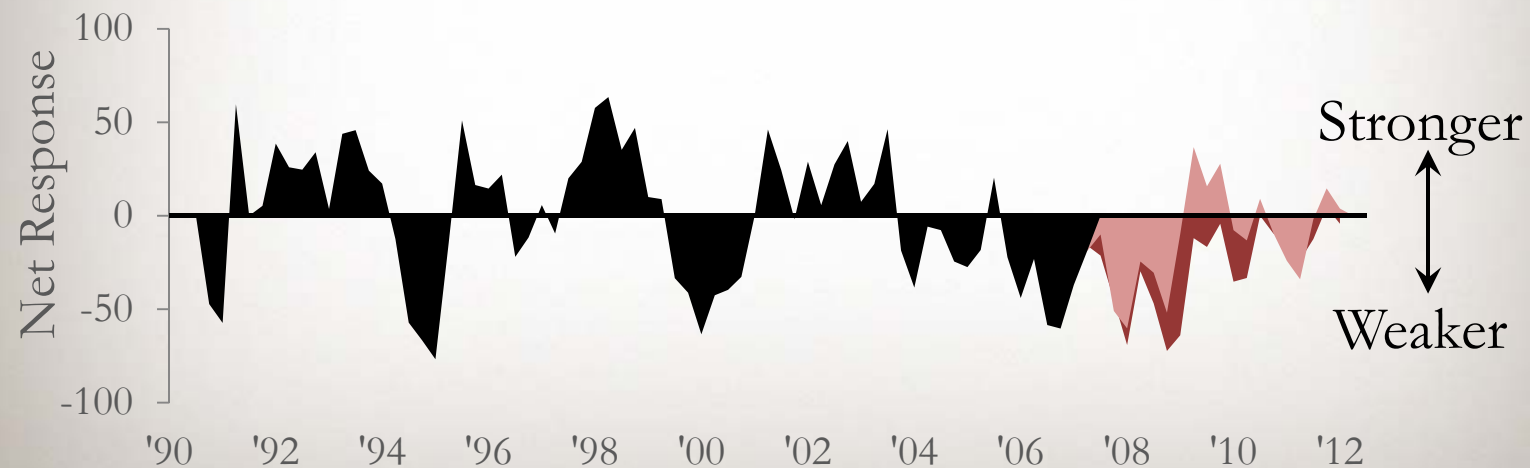


Mortgage Conditions Tight *but* Improving

LENDING CONDITIONS



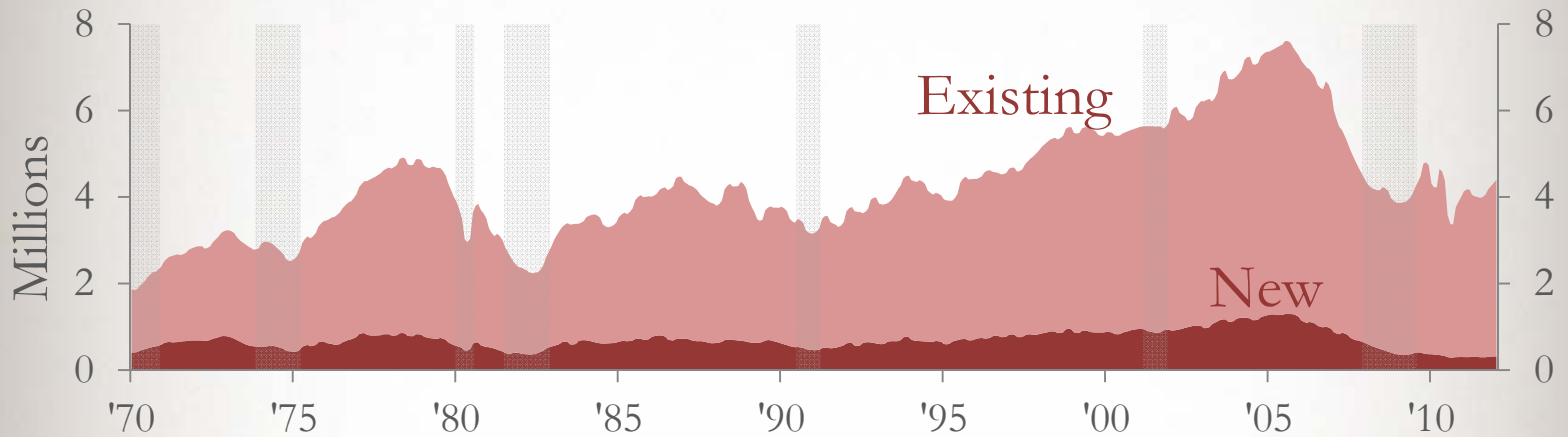
LOAN DEMAND



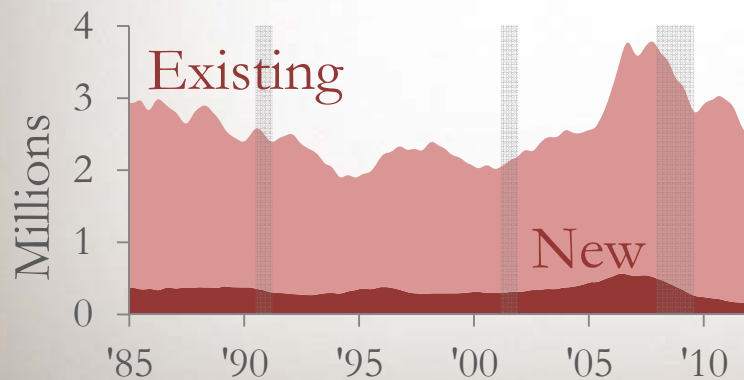
Source: Federal Reserve Board, Senior Loan Officer Survey

Home Supply & Demand Imbalance

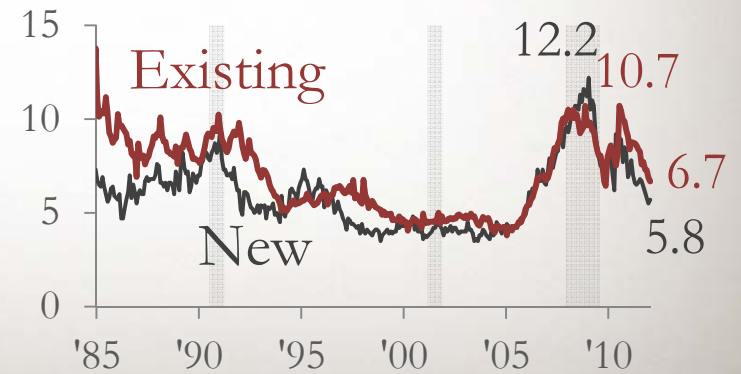
HOME SALES (ANNUAL RATE)



HOME INVENTORY



RATIO OF HOMES FOR SALE TO HOMES SOLD



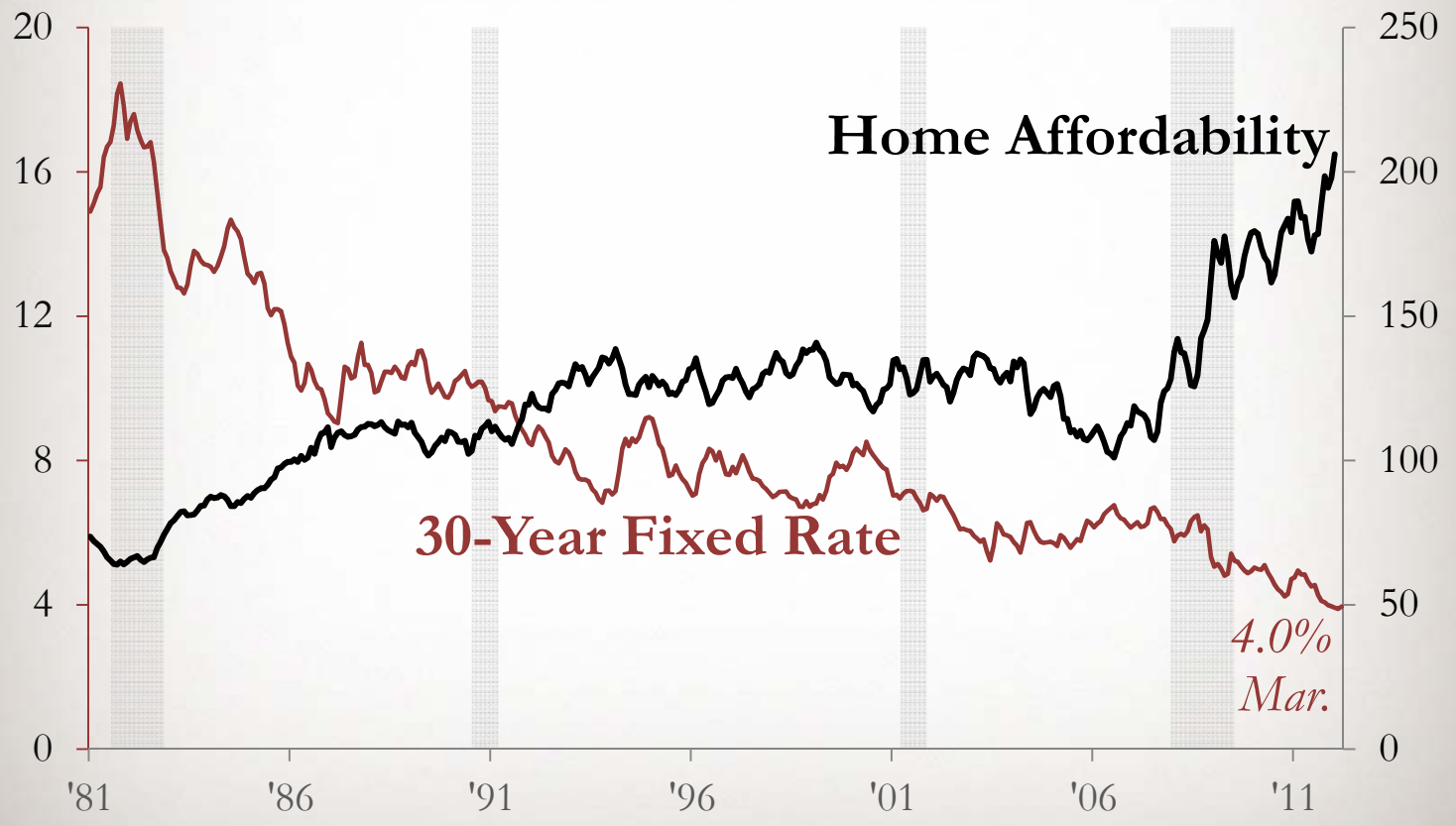
Source: U.S. Census Bureau & National Association of Realtors

Home Affordability *at* Record High

2012 REGULATORY UPDATE SEMINARS
FEDERAL RESERVE BANK OF KANSAS CITY

30-YEAR FIXED RATE
Conventional Mortgage

AFFORDABILITY
Index

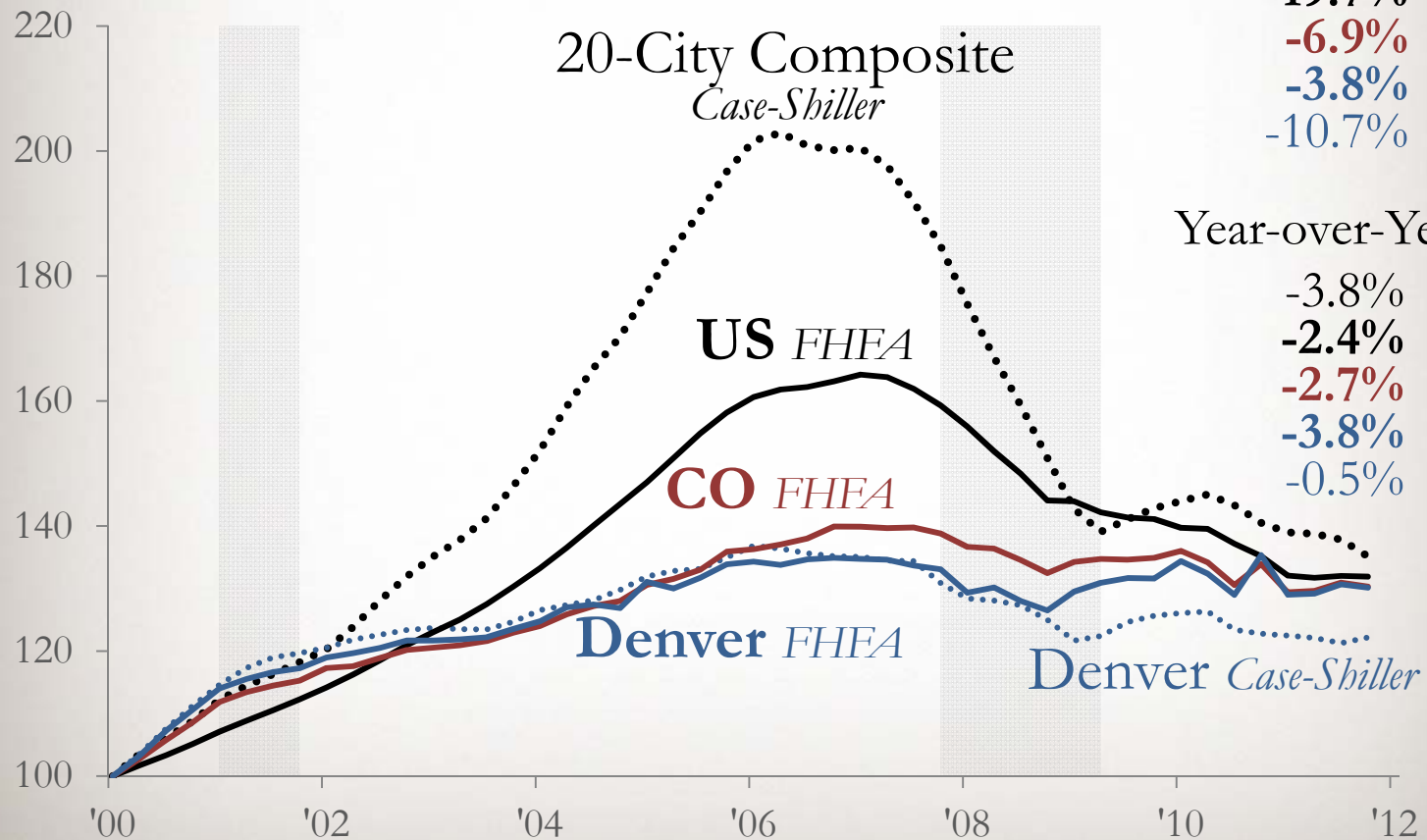


Source: Federal Reserve Board & National Association of Realtors

Home Prices Remain Soft

HOME PRICES

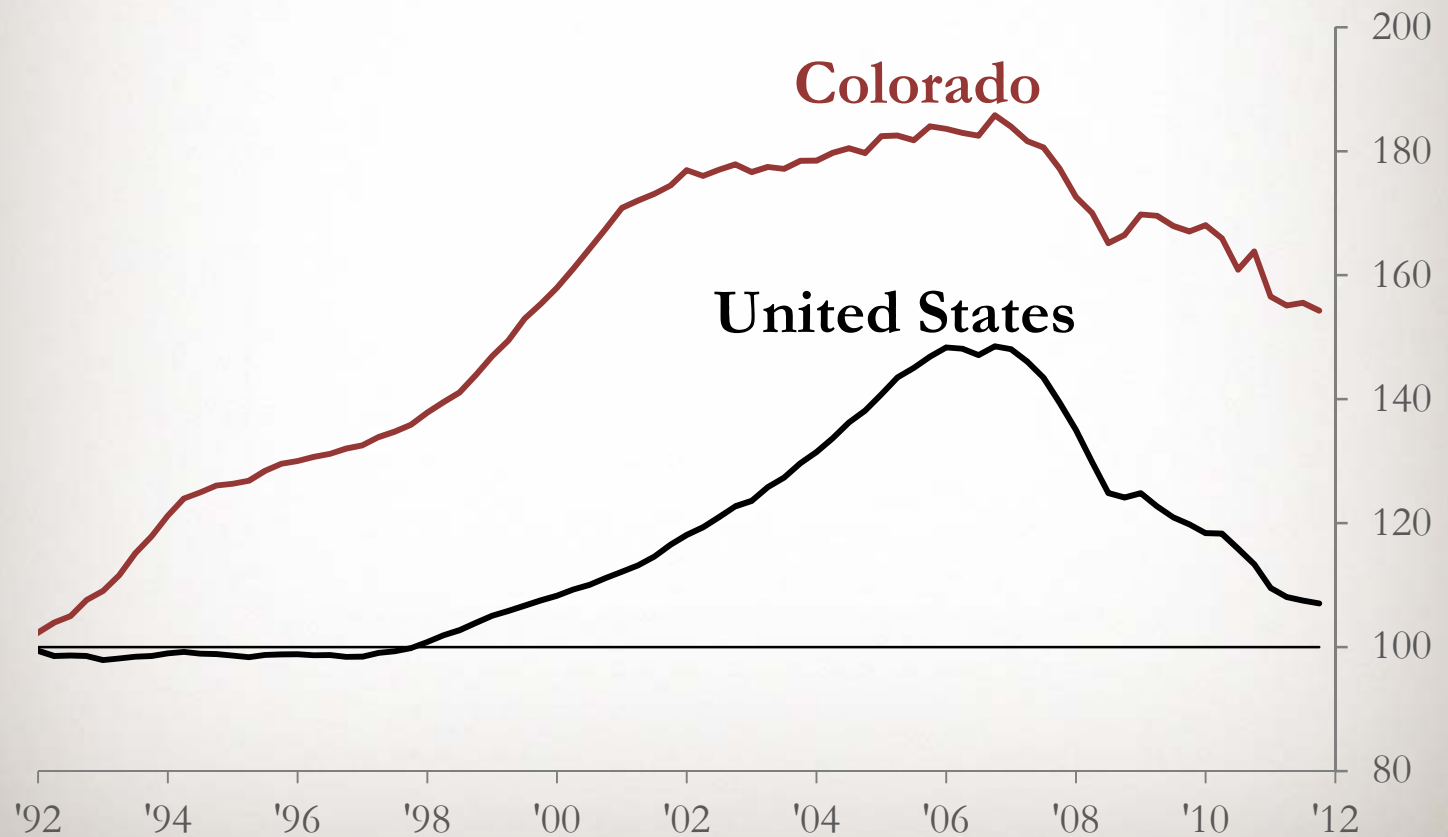
Indexes (Jan. '00 = 100)



Source: Standard & Poor's & Federal Housing & Finance Association

Home Price Gains Revert *to* Inflation

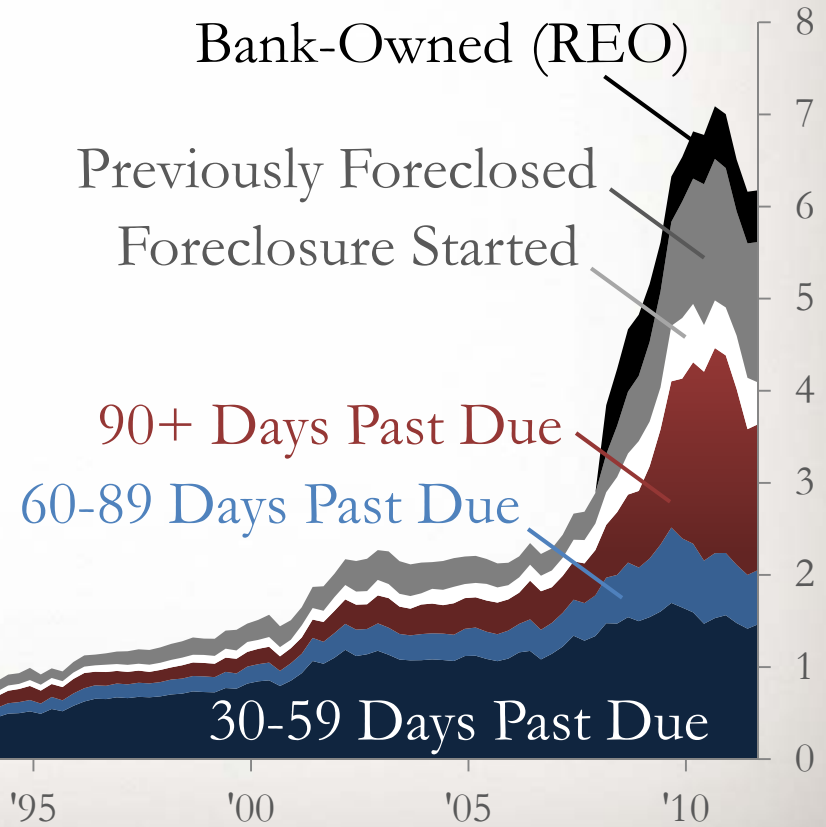
INFLATION-ADJUSTED HOME PRICES
Index (Jan. '91 = 100)



Source: Federal Housing & Finance Association & Bureau of Labor Statistics

Delinquency & Foreclosure Pipeline Full

DELINQUENT MORTGAGES *Millions of Housing Units*



Source: Mortgage Bankers Association & Barclays

U.S. & Colorado *Economic Conditions & Outlook*

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This presentation will be available at:
<http://www.KansasCityFed.org/Denver>

²⁰¹²
Regulatory Update
— SEMINAR —
Federal Reserve Bank of Kansas City